

UNITED STATES DISTRICT COURT

for the
District of Oregon

United States of America

v.

Randolph Nelson

Case No. 6:12-mj-87-TC

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of beginning 2/1/12-5/21/12 in the county of Linn in the
District of Oregon, the defendant(s) violated:

Code Section

Offense Description

18 U.S.C. 1028A
18 U.S.C. 1341

Aggravated Identity Theft
Mail Fraud

This criminal complaint is based on these facts:

The attached affidavit of Postal Inspector Shannon Hall which is attached and incorporated herein

☒ Continued on the attached sheet.

Shannon Hall

Complainant's signature

Shannon Hall, Postal Inspector

Printed name and title

Sworn to before me and signed in my presence.

Date:

8/23/12

Thomas Coffin

Judge's signature

City and state:

Eugene, OR

Thomas Coffin, U.S. Magistrate Judge

Printed name and title

STATE OF OREGON)

County of Lane) AFFADAVIT OF SHANNON R. HALL

I, SHANNON R. HALL, after being duly sworn, hereby depose and state:

Introduction and Agent Background

1. I am a Postal Inspector employed by the U.S. Postal Inspection Service (USPIS) assigned to the Seattle division, and have been so employed for over eight and a half years. I am currently assigned to the External Crimes Team in Portland, OR. My training and experience includes: a Bachelor of Science degree in Political Science from the University of Oregon, a Doctor of Jurisprudence degree from the University of Oregon School of Law, and 12 weeks of basic Inspector training. I am currently a member in good standing of the Oregon State Bar.

2. As a U.S. Postal Inspector I am authorized to investigate crimes involving federal offenses relating to the U.S. Postal Service. During the course of my employment with the Inspection Service, I have conducted or participated in criminal investigations involving mail theft, identity theft, robberies, credit card fraud, bank fraud, assaults, mail fraud and murder. I have also written and/or participated in the service of numerous federal and state search warrants.

3. This affidavit is being submitted in support of an application for the issuance of a search warrant for the residence located at 511 Washburn Street, Brownsville, Oregon 97327 and a criminal complaint charging Randolph Del Calhoun Nelson with Aggravated Identity Theft, Title 18, United States Code, Section 1028A and Mail Fraud, Title 18, United States Code, Section 1341. The single family residence at 511 Washburn Street, Brownsville, Oregon 97327 is painted

grey, has dark grey window shutters and white trim. The residence is situated on the corner of Washburn Street and West Cooley Avenue. The residence is on the east side of Washburn Street and the front door faces Washburn Street as described in Attachment A. As described more fully below, I believe there is probable cause to believe that Randolph Nelson has devised a scheme to defraud in which he obtains the personal identifying information of prison inmates, sometimes with their permission and sometimes without, and he submits false or fraudulent tax returns in their names causing the I.R.S. to mail an illegally obtained tax refund check to Randolph Nelson. Specifically, on or about March 21, 2012 and May 14, 2012, treasury checks were mailed to an address controlled by Randolph Nelson. With respect to victim, N.E.J, I believe that Randolph Nelson obtained his information and filed for a tax refund without N.E.J.'s permission and therefore, committed the additional offense of Aggravated Identity Theft.

4. I believe 511 Washburn Street, Brownsville, Oregon 97327, is the residence of Randolph Del Calhoun Nelson based on the following information: I was told by the Brownsville Postmaster that Randolph Nelson received mail at the address and the address was listed with Lane County Parole and Probation as Nelson is currently on supervision.

5. Information contained in this affidavit is based upon information I have gained from my investigation, my personal observations, my training and experience and investigation by other law enforcement personnel. I have set forth only those facts that I believe are necessary to establish probable cause to believe that evidence, described in **Attachment B**, are violations of Title 18, United States Code, Section 1028A, Aggravated Identity Theft and Title 18, United States Code, Section 1341, Mail Fraud, will be found at 511 Washburn Street, Brownsville, Oregon 97327, and are necessary to establish probable cause that Randolph Del Calhoun Nelson violated Title 18, United States Code, Section 1028A, Aggravated Identity Theft and Title 18, United States Code, Section 1341, Mail Fraud.

Applicable Law

6. Section 1028A of Title 18 of the United States Code makes it a federal offense to knowingly possess, or use, without lawful authority, a means of identification of another person during and in relation to any felony violation enumerated in subsection (c).

7. Subsection (c) of Section 1028A of Title 18 of the United States Code defines the term "felony violation enumerated in subsection (c)" as, among other things, any provision contained in chapter 63 (relating to mail fraud).

8. The term "means of identification" is defined in Subsection (d)(7) of Section 1028 of Title 18 of the United States Code as "any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual, including any (A) name, social security number, date of birth, official State or government issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number; ... or (D) telecommunication identifying information or access device (as defined in section 1029(e))."

9. Section 1341 of Title 18 of the United States Code makes it a federal offense if a person, "...having devised any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses,...for the purpose of executing such scheme or artifice to defraud...places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service..."

Statement of Probable Cause

10. The Postal Inspection Service was contacted by the Brownsville Postmaster regarding Department of Treasury checks being delivered to PO Box 54, Brownsville, Oregon 97327 and 511 Washburn Street, Brownsville, Oregon 97327. The Postmaster noted that the names on the Department of Treasury checks were names not authorized on PO Box 54,

Brownsville, Oregon 97327 and names not associated with the address at 511 Washburn Street, Brownsville, Oregon 97327.

11. On May 3, 2012, I learned from the Brownsville Postmaster that a Department of Treasury check issued to N.E.J. was delivered to PO Box 54 on March 21, 2012. Another Department of Treasury check to N.E.J. was received at PO Box 54 on May 14, 2012, and the Brownsville Postmaster sent the physical check to me. N.E.J. was not listed on the application of PO Box 54 as an authorized recipient of mail. N.E.J. is known to me and, as described below, had his identity stolen for purposes of Randolph Nelson's scheme to obtain fraudulent tax refunds. Additionally, three Department of Treasury checks were sent to 511 Washburn Street in the names of R.P., S.A. and D.H. on or about April 23, 2012. I had the Brownsville Postmaster send me those three original mailings as well. R.P., S.A. and D.H. are not authorized recipients of mail at 511 Washburn Street and are potential victims.

12 I learned that PO Box 54 was rented to Randolph Nelson and "Family Tax Services." I checked a law enforcement data base and "Family Tax Services" is not registered as a business with the state of Oregon and Randolph Del Calhoun Nelson does not have any businesses registered in Oregon. PO Box 54 was opened on January 26, 2012, and Nelson provided his Oregon Department of Corrections card as proof of identity to open the box. The physical address listed on the PO Box application for Box 54 for Nelson was 511 Washburn Street, Brownsville, Oregon 97327(511 Washburn Street). The Postmaster confirmed that Randolph Nelson received or is receiving mail at 511 Washburn Street.

13 On May 21, 2012, I contacted N.E.J. via telephone. I asked N.E.J. if N.E.J. had a Department of Treasury check sent to an address in Brownsville, Oregon, and N.E.J. stated, "No." N.E.J. stated that N.E.J. did not give anyone permission to file an income tax return on N.E.J.'s behalf, that N.E.J. did not give N.E.J.'s personal information to anyone and did not

know why a check would be sent to an address in Brownsville, Oregon. I asked N.E.J. if N.E.J. had been in prison with Randolph Nelson and N.E.J. stated perhaps, but did not remember. N.E.J. has three felony convictions in the state of Oregon for Attempted Kidnap II, Coercion and Possession of a Controlled Substance. N.E.J. gave me permission to open the envelope addressed to N.E.J. at PO Box 54, and inside was a Treasury check number 315832219787 in the amount of \$400, dated May 11, 2012. From the check, it appeared that the amount was for taxes filed for 2009. N.E.J. was very concerned about the fraudulent tax return because he now works at convenience store and wanted to file his own taxes.

14. I contacted Oregon Department of Corrections Special Investigator Robert Knodel and he faxed me information showing that both N.E.J. and Nelson were incarcerated in the same prisons in 2007 and 2009.

15. I learned that S.A. and R.P. are both currently incarcerated in prison in the state of Oregon. Both S.A. and R.P. were incarcerated at the same time Randolph Nelson was incarcerated in Oregon.

16. I contacted Lane County Parole and Probation Officer Tracy Dodge who had supervised Randolph Nelson. Officer Dodge confirmed that Nelson lived at 511 Washburn Street. I told her I believed that Nelson was involved in filing false income tax returns using other inmates' personal identification that were or had been incarcerated in Oregon. Officer Dodge told me that Nelson had devised and executed a similar scheme before while incarcerated in prison. Officer Dodge stated in that investigation Nelson had filed tax returns for inmates with or without their consent, but was never formally convicted of the charge.

17. Investigator Dodge told me that Nelson was released from prison on January 19, 2012. She stated that Nelson was taken into custody on April 11, 2012, for Attempt to Elude

and was due to be released on May 24, 2012. Nelson is currently housed at Linn County Jail in Albany, Oregon.

18. I contacted Oregon Department of Corrections Special Investigator Robert Knodel regarding the previous investigation against Randolph Nelson. Investigator Knodel provided me with his reports. Investigator Knodel's report stated that he overheard a jail phone call between Nelson and a Nancy Norris on October 25, 2009. According to Investigator Knodel's report, Nelson gave permission to Norris to cash a 2008 federal income tax check for him in the amount of \$738. Investigator Knodel contacted Norris and she turned over the federal income tax check number 230995516031 sent to her by Nelson. The check was made payable to "R.P." On or about April 23, 2012, a Department of Treasury check addressed to R.P. at 511 Washburn Street was intercepted by the Brownsville Post Office.

19. Investigator Knodel interviewed Randolph Nelson on October 29, 2009, and Nelson told Investigator Knodel that he had sent the check to Norris and that R.P. was a name he used from time to time.

20. Randolph Del Calhoun Nelson has criminal history in the state of Oregon dating back to 1977. Over his long criminal history Nelson has 27 felony convictions for the following crimes: Attempt to Elude, Forgery I, Identity Theft, Burglary II, Failure to Appear I, Unauthorized Use of a Motor Vehicle, Escape II and Theft I.

21. I spoke with Special Agent Scott McGeachy of the Internal Revenue Service (IRS) and he told me the IRS is inundated with prison tax refund schemes in Oregon and around the United States. He explained that sometimes inmates willingly gave up their personal information and would receive a portion of the illegal proceeds, while other times the inmates were unaware that their personal information was being used to file fraudulent and false income

tax returns. Special Agent McGeachy stated that these types of prison income tax schemes have been going on for years.

22. Based on the above information contained in this affidavit there is probable cause to believe that items which constitute the fruits and instrumentalities of United States Code, Title 18, Section 1028A, Aggravated Identity Theft, are located at 511 Washburn Street, Brownsville, Oregon 97327. The probable cause is based upon the facts of this case, my experience and training, and the following information regarding individuals involved in the illegal activities of Aggravated Identity Theft:

a. Individuals who engage in identity theft frequently obtain victims' personal and financial information, from the theft of U.S. mail, car break-ins, burglaries, hacking and thefts. Individuals who engage in identity theft often have a secure and private area to open and study sources of victims' means of identification. Individuals usually have a private and secure area to use and store computer equipment and peripherals to facilitate an identity theft scheme. Activities such as these commonly occur in the individual's residence, vehicles, outbuildings, hotel room, or storage locker because of the security and privacy that these locations provide the individuals.

b. Individuals who engage in identity theft schemes often keep records or notations of personal and financial information of victims or intended victims for long periods of time. These records often include the victim's name, date of birth, social security number, driver's license number, true address, employment history and salary, mother's maiden name, true bank account information, and true credit account information.

c. Individuals often keep record histories specific to each individual victim. These histories often include documentation of attempts to obtain credit or IRS refunds checks in an individual's name, attempts or complete applications for credit whether via the U.S. Mail,

the Internet, or telephone. Also included are histories of attempts to obtain goods, services, merchandise, or money using the victim's name and means of identification. These histories are maintained to track the status of orders or applications and the distribution of goods, services, merchandise, and money to accomplices and acquaintances.

d. Individuals who engage in identity thefts frequently maintain the records described in Paragraphs 22(b) and (c) similar to the records of legitimate businesses. Such records are often retained for long periods of time and often identify co-conspirators, victims, and sources of information. Such records often indicate locations of purchases, sales, returns, and negotiation of items related to identity theft. These records are commonly maintained either in handwritten form, or on a computer or computer medium such as a magnetic or optical based storage device.

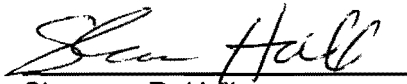
e. Individuals who engage in identity theft schemes commonly use computers, scanners, color printers, digital cameras and graphic design software to help facilitate the scheme. In addition to the traditional uses of computer equipment listed above, individuals engaged in identity theft also commonly obtain information regarding victims from commercial and public sources and databases available on the Internet.

Conclusion

23. This affidavit, the accompanying application and the requested warrant have been reviewed by Assistant United States Attorney Amy Potter. AUSA Potter has advised me, in her opinion, the application and affidavit are factually and legally sufficient to support the issuance of the requested search warrant.

24. Based upon the above stated information, I respectfully request that a search warrant be approved for the purpose of searching the residence located at 511 Washburn Street, Brownsville, Oregon 97327 for the items specified in Attachment B. Additionally, based

on the above stated information, there is probable cause to believe that on or between February 1, 2012 and May 21, 2012, Randolph Del Calhoun Nelson committed Aggravated Identity Theft, in violation of Title 18, United States Code, Section 1028A and Mail fraud, in violation of Title 18, United States Code, Section 1341.



Shannon R. Hall
U.S. Postal Inspector

Subscribed and sworn before me on this 23 day of May 2012.



The Honorable Thomas Coffin
U.S. Magistrate Judge